

# UPDATE

Montana Department of Commerce



Volume 14 • Issue 2  
February 2003

## News From the Front

by Betsy Baumgart

The session is off and running! We know one of the major issues of this legislative session is the projected \$232 million budget deficit. The global amendment to HB-2 will revert all agency base budgets to the fiscal year 2000 level. This move equates to budget cuts of \$160 million for fiscal years 2004 and 2005. This amount is on top of the cuts made earlier by Governor Martz. The Montana Department of Commerce, Promotion Division's promotional budget is not included in HB-2 and is not directly affected by this amendment. However, we are experiencing the ramifications of this action.

On January 10, the Education Appropriation Sub-committee took executive action to address the Arts Council budget. There was a unanimous vote to develop a "committee bill" taking 2.65% of the revenue directed to the Montana Department of Commerce, Promotion Division and redirect that amount to the Montana Arts Council. This would only affect the dollars to the Promotion Division for statewide tourism promotional efforts and no other recipient of the lodging facility use tax. The 2.65% amounts to a reduction of approximately \$210,000 annually from the Promotion Division's budget. LC-2004 is being drafted and will be presented to the full House Appropriations committee for a vote.

SB-II hearing was January 9. This bill would increase the lodging facility use tax by 4% (8% total) and create an 8% rental car tax. A 5% vendor allowance would be placed

on all taxes collected. The vendor allowance would reduce the current funding to all those that receive a percentage of the bed tax by approximately 5%. The Promotion Division's budget would be reduced by approximately \$400,000 annually and the tourism regions/convention and visitors bureaus would lose approximately \$130,000 annually. Senator Harrington seemed agreeable to work towards restoring the 5% vendor allowance reduction to the tourism promotional efforts.

HB-330 takes \$300,000 from the lodging facility use tax and appropriates this amount to the Department of Commerce for grants to certain counties for economic development projects. Commerce Director Mark Simonich testified in opposition to this bill because the Promotion Division currently has three economic development mechanisms in place to address project needs: TIIP, CTAP, and SEGP grant programs.

The Promotion Division is monitoring a number of bills that affect administration of state programs, as well as various aspects of the tourism industry. Information on the bills listed above was current as of press time and updates are posted on the Intranet site: [www.travelmontana.state.mt.us](http://www.travelmontana.state.mt.us) weekly.

## Governor's Conference Agenda Highlights

The 2003 Montana Governor's Conference on Tourism and Recreation agenda features presenters who will help the state's tourism team achieve the objectives

and implement the actions of the new 5-year strategic plan. The March 24-25 agenda includes sessions on packaging, nature tourism, effective partnerships and websites, group travel market, research, and more. Some feature presentations include:

**J. Walker Smith, President, Yankelovich, Inc.**, will open the conference Monday, March 24, with an insightful look at consumer attitudes and trends that will help us better target our marketing.

**Joe Veneto, The Opportunity Guy**, will show us how to create results through better packaging of our cultural, heritage, and natural resource assets.

**Thomas Jaffa, Jaffa Travel & Marketing Services**, shares his experience with the Group Travel Market through presentations on how to conduct successful familiarization tours and effective direct marketing campaigns.

**Ted Eubanks, Fermata, Inc.**, helps develop Nature Tourism trails and other natural resource-based products. He will share information about this growing niche market and Montana's opportunities.

**Daniel Lorenzetti, The Web Workshop**, will provide a hands-on session that reveals the "6 Secrets To A Profitable Travel-Oriented Web Site." As a special feature, Daniel is inviting you to send your Montana tourism-related website link to him for possible use in his sessions scheduled for Tuesday, March 25. Send your link to [lorenzetti@theworkshop.com](mailto:lorenzetti@theworkshop.com). Daniel will let you know if your site will be part of his presentation.

Complete Conference information is available on the Intranet site: [www.travelmontana.state.mt.us](http://www.travelmontana.state.mt.us). The Conference will be held in Helena at the Colonial Hotel.



## Did You Know?

- You can have snow reports e-mailed to you daily by signing up on Travel Montana's Winter site: [www.wintermt.com](http://www.wintermt.com)
- Montana Department of Commerce, Promotion Division has launched an online Lewis & Clark press kit to aid journalists and writers developing stories for the National Lewis & Clark Bicentennial Commemoration. The press kit can be located at: [www.lewisandclark.montanainfo.org](http://www.lewisandclark.montanainfo.org)

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## Montana Film and Economic Development Conference

Filmmakers and business executives from Hollywood, New York, and Montana will gather at the historic Livingston Depot Center in Livingston on February 21 and 22 for a two-day conference exploring the film and television industries as an economic growth engine for Montana.

This year's event will include panels devoted to successfully developing film ideas, finding funding for films, opportunities in non-Hollywood areas such as wildlife and travel documentaries, and the challenges of living in Montana and working in the film industry. A mini-film festival including four feature films (two shot in Montana) and an opportunity for Montana filmmakers to screen sample reels are also part of the conference.

For a complete schedule and details, contact the Montana Film Center: 406-570-5167 or e-mail: [elizabeth@montanafilmcenter.org](mailto:elizabeth@montanafilmcenter.org).

## Warm Season Ad Campaign

Original photography representing the different regions of Montana displayed in an inventive layout highlights this year's new Warm Season magazine creative. The photography, while showcasing our beautiful landscapes, also includes people in the images.

"By placing a variety of types of individuals in the different scenes," explains Consumer Marketing Manager Sarah Lawlor, "it allows the viewer to imagine themselves in these settings; thus, emphasizing the Montana Department of Commerce, Promotion Division's marketing slogan of 'Put Yourself in Montana'."

Five new advertisements with various creative messages have been created to address different segments in the market. Montana's



target audiences include active matures, outdoor enthusiasts, western history and culture enthusiasts, RV and camping audiences, and the traditional travelers. The new creative will be featured in approximately 25 publica-

tions this spring. In addition, smaller size advertising will appear in another dozen publications, including the Lewis & Clark specific full-page creative that was developed last year. Montana's advertising will be seen in over 40 publications this spring with a circulation of over 38 million.

*Alternative accessible formats of this document will be provided to disabled persons on request.*

## Preliminary 2002 Nonresident Travel Estimates for Montana (2002\$)

Institute for Tourism & Recreation Research—University of Montana

Sectors	Average Daily per Group	Allocation by Sector	2002 Total Expenditures
Hotel, Lodge, B&B	\$17.0	16%	\$290,300,000
Campground, RV Park	\$1.2	1%	\$20,200,000
Auto Rental & Repairs	\$3.7	4%	\$63,300,000
Transportation Fares	\$0.5	1%	\$9,100,000
Gasoline, Oil	\$23.4	22%	\$400,700,000
Restaurant, Bar	\$19.3	18%	\$330,700,000
Groceries, Snacks	\$8.1	8%	\$139,000,000
Retail Sales	\$25.4	24%	\$435,600,000
Misc. Expenses, Services	\$6.7	6%	\$114,600,000
<b>TOTAL</b>	<b>\$105.3</b>	<b>100%</b>	<b>\$1,803,500,000</b>

## Calendar of Events

### February

- 11-18 BIT Trade Show—Milan, Italy (*International*)
- 18 CTAP Meeting—St. Ignatius
- 19 CTAP Meeting—Thompson Falls
- 18-20 Sales Training in Amsterdam (*International*)
- 24 CTAP Meeting—Eureka

### March

- 4-6 Media Event in Paris (*International*)
- 7-12 ITB Trade Show—Berlin, Germany (*International*)
- 24-25 Governor's Conference on Tourism & Recreation—Helena
- 25 MTRI Directors' Meeting

*For all of the latest Montana tourism industry information log on to:*  
**[travelmontana.state.mt.us](http://travelmontana.state.mt.us)**



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